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Capital improvements programming : a manual



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CAPITAL IMPROVEMENTS PROGRAMMING

A MANAGER'S GUIDE

MONTANA DEPARTMENT OF COMMERCE

PRESENTED BY

PHILIP ROSENBERG

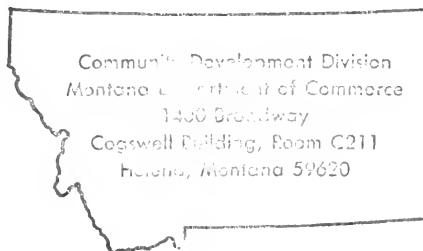
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WORKSHEET 1

WHY WE SHOULD UNDERTAKE A CIP

1. Promote Stable Economic Growth
2. Better Target Limited Financial Resources
3. Provide Forum to Identify and Discuss Needed Capital Items
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Use this worksheet to list your reasons for developing a CIP. To give you a head start, we have already listed a few reasons. Feel free to strike these out as appropriate.

Worksheet - Capital Characteristics

Instructions:

- (1) Working individually at first, note next to each of the words listed below the key words or phrases that are descriptive of the characteristics that uniquely describe the words.

Capital Improvement Program -

Capital Budget -

Capital Project -

Capital Equipment -

Decisions -

Decision Making Process -

Correct Decision -

CAPITAL CHARACTERISTICS

1. life span - long, difficult to change after you have made a committment
2. frequency - infrequent activities requiring special attention
3. cost - "significant" dollars when compared to the general level of expenditures
4. impact - broad, affects a variety of aspects of a community, therefore special expertise and coordination required.

WORKSHEET 2

CRITERIA FOR DEFINING CAPITAL IMPROVEMENTS

In our community, we define a capital improvement as follows:

Minimum Cost: \$ _____

Useful Life: _____

Other: _____

Illustrations of capital improvements in our community include:

Equipment

Facilities

Property

Other

Fill in the blanks above. If we have omitted criteria, please feel free to add them to this worksheet.

WORKSHEET 3

CIP RESOURCE PERSONS, AGENCIES AND COMMITTEES

<u>Function</u>	<u>Persons</u>	<u>Agencies/Committees</u>
Policy Oversight		
Develop CIP Guidelines		
CIP Coordination		
Project Identification		
Planning		
Finance		
Engineering		
CIP Review		
CIP Approval		
Other _____		

Listed above are some of the functions essential to formulating a CIP. Identify those resources most capable of performing each function. Where appropriate, include resources outside of your community. If we have omitted a function, please add it to the list.

WORKSHEET 4

CIP CALENDAR OF EVENTS

Month

Activity

_____	Initiate Process
_____	Identify Selection Criteria
_____	Prepare CIP Package
_____	Distribute CIP Package
_____	Inventory Existing Facilities
_____	Submission of Project Requests
_____	Obtain Technical Reviews
_____	Planning
_____	Finance
_____	Engineering
_____	Other
_____	Prepare Preliminary CIP
_____	Review Preliminary CIP
_____	Prepare Final CIP
_____	Submit CIP to Legislative Body
_____	Public Hearing
_____	CIP Adoption

In completing your anticipated CIP calendar, allow ample time to complete each phase of the process. The first year will be the most difficult to get through. Don't establish unreasonable deadlines.

Do You Have...

Instructions:

Please answer each of the questions by indicating in the answer space either -

Y = Yes, we have

A = I'd like to consider Adding

N = Don't have - Don't feel any value in adding

<u>Weight</u>	<u>Question</u>	<u>Answer</u>
<u>Planning</u>		
2	1. A written inventory record of capital facilities that is reviewed annually in order to determine needed capital replacements or modernizations.	_____
3	2. Written policy statements that govern the decisions about which capital projects will be included in the CIP&B.	_____
3	3. Written capital policy statements formally enacted by the governing body as a matter of public record.	_____
3	4. Surveys of citizen opinions used to assess capital needs.	_____
2	5. Formally tabulated information on trends in your community for items such as private investment, housing characteristics, composition of the tax base, etc. used to determine and project capital facility needs.	_____

Planning (Continued)

- 2 6. Meetings with department heads to _____
 establish specific objectives before
 capital improvement request forms are
 completed.
- 1 7. A specific person or group designated _____
 as the overall coordinator for the
 capital improvement programing and
 budgeting process.
- 3 8. A formal, yearly process thru which _____
 citizens can suggest capital projects.
- 2 9. A regular procedure for reviewing and _____
 categorizing citizen complaints and
 inquiries.

Analysis

- 2 10. A specific method for prioritizing _____
 capital project requests.
- 3 11. A specific step in capital project _____
 evaluations where alternative means
 of satisfying the same need as the
 project request is intended to satisfy
 are considered and evaluated.
- 3 12. A process for involving citizens in _____
 the review and prioritization of
 capital projects.
- 3 13. Specific and written capital improve- _____
 ment program financial policies.

Do You Have... (Continued)

Analysis (Continued)

- | | | |
|---|--|-------|
| 1 | 14. Projects that have been requested by agencies but that are not included in proposed capital improvement program. | _____ |
| 1 | 15. Capital project request reviewed for completeness and accuracy by a specific individual or agency. | _____ |
| 2 | 16. Written criteria against which projects are compared as part of the prioritization process. | _____ |
| 3 | 17. A summary prepared as part of the normal capital improvement program process that shows the total effect on the operating budget of all proposed capital projects. | _____ |
| 1 | 18. A tabulation of previous expenditures covering at least five years. | _____ |
| 1 | 19. A tabulation of previous revenues covering at least five years. | _____ |
| 2 | 20. A projection of anticipated expenditures covering at least three years. | _____ |
| 2 | 21. A projection of anticipated revenues covering at least three years. | _____ |
| 2 | 22. Produce a yearly capital impact analysis which could include items such as total debt outstanding, overlapping debt outstanding, debt per-capita, debt service as a percent of total operating expenditures, etc.. | _____ |

Analysis (Continued)

- 3 23. A variation in the level of evaluation _____
and in the specificity of required
justification for a project requested
for the first year of the CIP&B versus
the fifth or sixth years.

Note:

After scoring this set of questions on the "Scoring" worksheet please record your scores here. This set of sheets will be collected. You might also want to give us some comments about your reaction to the course so far.

Score - Y _____
A _____
N _____
50

Comments:

Do You Have...

Instructions:

Please answer each of the questions by indicating in the answer space either -

Y = Yes, we have

A = I'd like to consider Adding

N = Don't have - Don't feel any value in adding

Please score your answers for the set of questions on the separate "Scoring" worksheet.

<u>Weight</u>	<u>Question</u>	<u>Answer</u>
	<u>Preparation</u>	
1	24. The capital improvement planning and budgeting manual describing the entire CIP&B process.	_____
1	25. A specific set of forms for use in preparing requests for capital expenditures.	_____
2	26. Conduct an evaluation of previous years completed projects.	_____
1	27. A CIP&B calendar showing a schedule of tasks needed to be accomplished from initiation thru implementation.	_____
1	28. A requirement that operating and maintenance cost resulting from requested capital improvements be specified.	_____
2	29. Guidelines or forms for estimating project cost.	_____
1	30. A formal multi-year capital improvement program document.	_____

Preparation (Continued)

- | | | |
|---|--|-------|
| 2 | 31. Information in the capital improvements document about the implementation of previously approved and now completed projects particularly in terms of financial and scheduling performance. | _____ |
| 1 | 32. A written definition of what is to be included as a "capital" project and/or item. | _____ |
| 2 | 33. Your CIP&B document arranged so that projects are organized and tabulated by program or function. | _____ |
| 2 | 34. A written description of the rules and responsibilities of the people involved in the CIP&B process. | _____ |

Adoption

- | | | |
|---|---|-------|
| 2 | 35. Municipal legislation (charter sections, ordinances, resolutions) formalizing the CIP&B process. | _____ |
| 1 | 36. Formal legislative action approving a multi-year capital improvement program. | _____ |
| 3 | 37. Full integration of the CIP&B process to include all operating budget decisions and all sources of funds. | _____ |
| 1 | 38. Public hearings conducted about the capital improvement program. | _____ |

Do You Have... (Continued)

Preparation (Continued)

- | | | |
|---|--|-------|
| 2 | 31. Information in the capital improvements document about the implementation of previously approved and now completed projects particularly in terms of financial and scheduling performance. | _____ |
| 1 | 32. A written definition of what is to be included as a "capital" project and/or item. | _____ |
| 2 | 33. Your CIP&B document arranged so that projects are organized and tabulated by program or function. | _____ |
| 2 | 34. A written description of the rules and responsibilities of the people involved in the CIP&B process. | _____ |

Adoption

- | | | |
|---|---|-------|
| 2 | 35. Municipal legislation (charter sections, ordinances, resolutions) formalizing the CIP&B process. | _____ |
| 1 | 36. Formal legislative action approving a multi-year capital improvement program. | _____ |
| 3 | 37. Full integration of the CIP&B process to include all operating budget decisions and all sources of funds. | _____ |
| 1 | 38. Public hearings conducted about the capital improvement program. | _____ |

Adoption (Continued)

- | | | |
|---|--|-------|
| 3 | 39. An evaluation of the total proposed capital improvement program against previously established criteria and policies. | _____ |
| 2 | 40. Support of elected officials for improving your CIP&B process. | _____ |
| 3 | 41. Specific "techniques" - other than public hearings - used to increase the effectiveness of citizen participation (e.g. task forces, workshops, charrettes, etc.) | _____ |
| 3 | 42. Approval of Community Development grant fund spending plans integrated into your CIP&B process. | _____ |

Implementation

- | | | |
|---|--|-------|
| 1 | 43. A specific project manager assigned to each capital project that has been funded. | _____ |
| 1 | 44. Formal, regular progress reports on the status of all projects. | _____ |
| 3 | 45. Visual scheduling and monitoring systems to plot the progress of project implementation. | _____ |
| 3 | 46. A computerized capital project management system that tracks both physical and financial progress. | _____ |
| 2 | 47. Update cost estimates for capital project proposals each year. | _____ |

Do You Have...(Continued)

Implementation (Continued)

- | | | |
|---|---|-------|
| 2 | 48. Municipal legislation recognizing the multi-year nature of capital appropriations. | _____ |
| 2 | 49. Formal and documented procedures for transfers of funds involving capital projects. | _____ |
| 2 | 50. A capital project numbering system that includes a designation for the fiscal year in which a project first appeared in the CIP&B document. | _____ |

Worksheet - Scoring "Do You Have..."

Planning and Analysis

		Weight			Weight Score
Number of answers - Total -		1	2	3	
Y	_____	1x__=__	+ 2x__=__	+ 3x__=__	= _____
A	_____	1x__=__	+ 2x__=__	+ 3x__=__	= _____
N	_____	1x__=__	+ 2x__=__	+ 3x__=__	= _____
	23	1x <u>5</u> = <u>5</u>	+ 2x <u>9</u> = <u>18</u>	+ 3x <u>9</u> = <u>27</u>	= <u>50</u>

Please note your score on the question sheet after Question #23 as indicated.

Preparation, Adoption and Implementation

		Weight			Weight Score
Number of answers - Total -		1	2	3	
Y	_____	1x__=__	+ 2x__=__	+ 3x__=__	= _____
A	_____	1x__=__	+ 2x__=__	+ 3x__=__	= _____
N	_____	1x__=__	+ 2x__=__	+ 3x__=__	= _____
	27	1x <u>10</u> = <u>10</u>	+ 2x <u>11</u> = <u>22</u>	+ 3x <u>6</u> = <u>18</u>	= 50

Total Weighted Scores (Both sections)

Y _____

A _____

N _____

100

Community Name _____ State _____ Population _____

Worksheet - Financing Considerations

Instructions:

(1) For the first part of this exercise work individually. Using the Funding Alternatives/Selection Criteria matrix indicate on the matrix which criteria item is most (M) important and which is least (L) important for each of the funding alternatives. Note the explanation of the titles of the items in the matrix that is shown below.

Funding Alternatives

CAPITAL RESERVE - Municipal revenue from previous years set aside in a reserve fund.

CURRENT TAX REVENUE - Contributions from the operating fund to the capital fund in the same budget year.

SPECIAL OR DEDICATED TAXES - Taxes that when they are levied are committed by legislative action to a particular municipal function and the capital facilities that relate to it.

USER CHARGES - Municipal fees such as for a swimming pool or a golf course

SPECIAL ASSESSMENTS - Charges for campital improvements such as sewer or water lines paid directly by the benefiting property owner.

SHORT TERM NOTE - Borrowing, usually with easier mechanics than a bond issue, with a term a term generally under five (5) years for items such as temporary construction financing or projects with a short useful life, usually equipment items.

Worksheet - Financing Considerations (Continued)

GENERAL OBLIGATION BONDS - Debt financing that commits the full faith and credit of the municipality

REVENUE BONDS - Debt financing where with the revenues from a specific project are committed to repaying the debt.

STATE/FEDERAL FUNDS - Categorical or block grants.

Selection Criteria

MAGNITUDE - The size of the expenditure in relation to the financing method and in relationship to the financial capacity of the community (e.g. a \$10,500 purchase wouldn't justify a bond issue because of the expenses involved in an issue).

AVAILABILITY - Can the funds be obtained under the particular financing alternative (e.g. if you haven't set money aside you can't use a capital reserve or if LEAA has obligated all its funds, then there's none available for you, or if the bond market is tight and your credit rating isn't the best, you might not be able to borrow).

SUFFICIENCY - Can enough dollars be generated (e.g. will enough people use the swimming pool or golf course so user fees could pay the bill or is there sufficient borrowing capacity remaining).

APPROPRIATENESS - Does the source of funds fit the project (e.g. assessments for utility lines but not for a new park).

USEFUL LIFE - Does the funding alternative match the time period that the capital improvement will be

Worksheet - Financing Considerations (Continued)

available for use and/or for generating revenue (e.g. a truck that will last 5 years shouldn't be purchased with a bond issue that has to be repaid over a 20 year period).

USE RESTRICTIONS - Does the funding alternative by its very nature place restrictions on what type of project can be funded or on the mechanics or implementation of the project to such a degree that it is harmful to the projects purpose (e.g. federal regulations dealing with environmental considerations).

TIMING - The ability of the funding source to react to when the project is needed or when the circumstances are appropriate to begin the project (e.g. a land purchase might require money to be available immediately whereas a piece of equipment might take 6 months to a year for delivery).

ECONOMIC CONDITIONS - The condition of the nations economy can "dry up" some sources of funding in either a literal sense or a practical political sense and conversely it can make other sources available (e.g. high inflation can make a capital reserve undesirable, or interest rates may make borrowing very attractive, or unemployment increases may generate additional federal funds).



HOW MUCH CAN YOU AFFORD?

CONCERNS AND CONSIDERATIONS

1. National economic conditions
2. Local economic conditions
3. Political acceptability
4. Legal limits (debt and tax)
5. Needs of the community
6. Availability of external funding
7. Outstanding debt obligations
8. New revenue generated
9. Revenue patterns
10. Expenditure patterns

D. INSTRUCTIONS FOR COMPLETING RATING SHEET

The rating sheet has six major project considerations that will be used for the purpose of prioritizing proposed projects on the city's CIP matrix. Every project will receive a point score in each of the six major considerations. The points will be totaled and used to establish a priority ranking on the CIP matrix.

A. Department Priority Classification

The rater must determine which priority classification a project fits under.

1. Mandatory - Refers to the protection of life or maintenance of public health and safety.
2. Maintenance - Refers to a continuation of public services, the conservation of endangered resources, or the finishing of partially completed projects.
3. Improve Efficiency - Refers to the replacement of obsolete facilities or the improvement of community facilities.
4. New Service - Refers to the expansion of the public facilities service area of the city, or the provision of new public services.

B. Policy Area Priority

The rater must refer to the discussion of community policy basis in order to determine policy area priority. Based on established city policy, the rater must make a judgmental decision as to whether a project should be classified as high, medium or low priority.

C. Project's Expected Useful Life

Refer to the project description information.

D. Effect on Operating and Maintenance Costs

Refer to the project description information.

E. Effect on City's Source of Revenue

Refer to the project description information. Proposed residential expansion does not necessarily mean an increase in a city's revenue.

F. Availability of State/Federal Grant Monies

In the case of state parks grants, 50% funding up to a limit of 100,000 for the 1978-1982 period is available.

In the case of federal pollution control grants, 90% funding is available for construction of sewage treatment works up to a maximum of 250,000 during the period 1978-1982.

Total Score: Total the scores for A - F and transfer to the matrix under the priority ranking column.

CAPITAL IMPROVEMENT RATING SHEET

Project Name: Tertiary sewage treatment (citywide)

Estimated Cost: \$300,000

Score Range

A. City Department Priority Classification

Major Considerations

1. Mandatory 10
2. Maintenance 7
3. Improve Efficiency 5
4. New Service 2

B. Policy Area Priority

1. High 10
2. Medium 5
3. Low 2

C. Project's Expected Useful Life

Three years or less score zero

1. 20 or more years 10
2. 10-20 5
3. 4-10 2

D. Effect on Operating and Maintenance Costs

1. Reduce Cost 10
2. Cost Unchanged 5
3. Increase Cost 2

E. Effect on City's Source of Revenue (tax base)

1. Increase Revenues 10
2. Revenues Unchanged 5
3. Decrease Revenues 2

F. Availability of State/Federal Grant Monies

1. Yes 5

Total Score (enter on project matrix)

Evaluation of the CIP&B Process
Criteria Suggestions

1. The number of projects that are completed as originally planned and scheduled.
2. Cooperation among the various parts of the municipal organization in the implementation of approved projects.
3. Demonstratable coordination among interfacing projects.
4. Broad based community support for needed capital expenditures.
5. Well maintained capital facilities.
6. A broad search for alternative proposals.
7. Choices made on the basis of agreed criteria.
8. Completed projects that accomplish what they were intended to accomplish.

Examples - Priority Setting By Broad Levels

Greenville, SC

Priority 1 - Projects or equipment purchases which are urgent in nature and cannot be postponed without being detrimental to the functioning of the individual department. Also, projects which will alleviate a situation that may be detrimental to the health and safety of Greenville citizens.

Priority 2 - Projects or equipment purchases which are necessary and which should be carried out as soon as possible to meet the needs of the department or to replace some condition or equipment which is presently unsatisfactory and/or costly in operation.

Priority 3 - Projects or equipment purchases which are desirable in order to provide for proper expansion of the work of the department but which may be delayed to a later date.

Priority 4 - Projects which are important but not necessary for the current operation of the department. These projects are generally considered to be ones that would expand a particular service offered to the community or projects which would meet a future need.

Aurora, CO

Priority 1 - An already approved program to which the City is committed and in which funding and timing are not flexible.

Priority 2 - A program which is needed now but funding is still flexible.

Priority 3 - A highly desirable program which has both timing and funding flexibility.

Priority 4 - A program lacking immediate justification but which may be needed in the future.

Priority 5 - A program requiring more analysis before a commitment can be made.

Memphis, TN

Priority 0 - Includes only those projects underway, which are required to be

Examples - Priority Setting By Broad Levels (Continued)

financed by additional funds in later years.

Priority 1 - Projects of the utmost urgency - requiring funds in the year indicated.

Priority 2 - Projects needed, but which might be shifted to fit into the City's over-all fiscal capacities.

Priority 3 - Projects needed if funds can be provided.

Indicate the position this project occupies in the present divisional program by the order of its importance as compared with other projects in the division. For example, if the project ranks fifth in importance and is of utmost urgency, the priority would appear thus 1-5. These priority numbers are considered in making final determination of priorities to be submitted to the City Council.

Tulsa, OK

Generally, the types of services to be considered in the level of priority has been defined as follows:

Level 1 - Programs which contribute significantly to:

- a. improved streets and transportation facilities and services
- b. law enforcement services and operations
- c. flood and drainageway improvements
- d. water and wastewater treatment and distribution
- e. emergency services directly resulting in protection of life and property
- f. collection and disposal of refuse
- g. legal requirements and obligations

Level 2 - Programs which are directly supportive of the Level 1 objectives, and which:

- a. provide parks and recreation facilities and services
- b. provide medical and/or employment services

Examples - Priority Setting By Broad Levels (Continued)

- c. provide planning for services and facilities

Level 3 - Programs which provide amenities and benefits of a general nature, such as:

- a. Library services
- b. Performing Arts
- c. Cable TV
- d. Gilcrease
- e. Community Schools
- f. ancillary social and economic services

The general philosophy in the use of the aforementioned priority levels is generally to provide for reasonable distribution of funds to those programs which:

Level 1 -

- 1. are legally required
- 2. provide life support
- 3. provide public utility services

Level 2 -

- 1. provide support services for primary objectives
- 2. provide services for individual use

Level 3 -

- 1. provide services which are considered to be amenities which, if discontinued, would not result in loss of life, health or welfare of the public

This initial prioritization serves to establish a basis for determining priorities between unlike capital requests. It also serves to insure that the legally required health, safety, and welfare projects do in fact have a higher priority than other less critical projects. An additional weight factor can, if needed, be utilized for determining priorities of projects included in Level 1, Level 2 and Level 3 categories.

Examples - Priority Setting Using Evaluation Criteria

Tulsa, OK

Capital Value Criteria -

- Does the project provide basic services in areas which do not have basic services?
- Does the project improve, upgrade or rehabilitate facilities in developed areas which are deteriorating?
- Has the planning and engineering been completed, and will the facility serve a useful life in excess of 10 years?
- Is the project compatible with adopted plans and policies, and has the project been coordinated with all affected agencies?
- Will the project reduce, maintain or increase annual operating expenses?
- Identify the secondary benefits associated with this project.
- Will this project directly promote the creation of private sector jobs for low- and moderate-income families?
- Estimate population to be served by project.
- Will the project induce persons to remain or settle in older areas of the city?
- Will the project provide for advanced acquisition/development which might otherwise be jeopardized?

St. Paul, MN

Major Considerations		Score Range
District Council Priority Ranking	First Priority	10
	Second Priority	8
	Third Priority	6
	Fourth Priority	4
	Fifth Priority	2
	Remaining Priorities	0

- - - - -

Examples - Priority Setting Using Evaluation Criteria (Continued)

Departmental Priority Classification	C-Critical	4 to 10
(Top of score range is appropriate	V-Valuable	4 to 8
unless classification given seems	B-Beneficial	4 to 6
inappropriate)	D-Desirable	1 to 3
	Q-Questionable	0

- - - - -

Phased Funding Credit: Projects which were recommended for implementation by the CIB Committee and have budget allocations approved by the City Council

(If NOT, score zero 2 to 10

- - - - -

Conformance with Comprehensive Plan	Yes	6 to 10
	Partial	2 to 5
(Planning Commission Determination)	No	0

- - - - -

Conformance with Capital Allocation	Yes	6 to 10
Policies (Strategy Policies A,C,D,E,M&N)	Partial	2 to 5
(Planning Commission Determination)	No	0

- - - - -

Project is identified in the Planning Commission's Recommended Capital Improvement Program (If NOT, score zero) 6 to 10

- - - - -

Project will serve	Citywide Population	7 to 10
	Several Neighborhoods	3 to 7
	One Neighborhood	0 to 3

- - - - -

Project Will be Utilized	All Year Round	7 to 10
	Five to Eleven Months	3 to 7
	Four Months or Less	0 to 3

- - - - -

Examples - Priority Setting Using Evaluation Criteria (Continued)

Project's Useful Life Expectancy	30 or More Years	7 to 10
	11 to 29 Years	3 to 7
	4 to 10 Years	0 to 3
	3 Years or Less	0

- - - - -

Project will be used jointly by inter/intra-governmental entities (If NOT, score zero)	6 to 10
--	---------

- - - - -

Project will NOT duplicate other available public or private facilities (If DUPLICATION, score zero)	4 to 10
--	---------

- - - - -

If project encourages rehabilitation or replacement of existing obsolete facilities and:	
Uses already-owned land -	7 to 10
Requires acquisitions in conformance with Policy J -	3 to 6
Requires acquisitions not in conformance with Policy J -	0

- - - - -

Property Acquisitions in conformance with Policy J which have vacant land. (If NOT, score zero)	6 to 10
---	---------

- - - - -

Project adequately programmed and phased	0 to 10
--	---------

- - - - -

Public Environment, Aesthetics and/or Historical Preservation will be enhanced (If NOT, score zero)	4 to 10
---	---------

- - - - -

Energy Consumption will be:	Reduced	7 to 10
	Increased-Minimum	4 to 6
	Increased-Normal	1 to 3
	Increased-Substantial	0

- - - - -

Examples - Priority Setting Using Evaluation Criteria (Continued)

Cost of Operation and/or Maintenance will:	Be Reduced		5 to 10
	Not Change		0 to 5
	Increase		0
- - - - -			
Tax Revenue to City will:	Increase		5 to 10
	Not Change		0 to 5
	Be Reduced		0
- - - - -			
Public Funds provide <u>committed</u> Private	Greater than	1:6	8 to 10
Capital leveraging in the following	1:3 to	1:6	4 to 8
ratios:	1:1 to less than 1:3		1 to 4
- - - - -			
City funding will earn share of available Federal/State/ Private grant or non-cash credit (If NOT, score zero)			6 to 10
- - - - -			
Rater's general appraisal of project			6 to 10
- - - - -			
Total Score			0 to 210

James City County, VA

- Is the project necessary to meet Federal, State or local legal requirements?
This includes projects mandated by Court Order, to meet requirements of law.
(Note: Yes 10 pts. or No zero pts.)

Point Values: 0 or 10
- Is the project necessary to fulfill a contractual requirement? (Note Yes 10 pts. or No zero pts.)

This includes Federal or State grants which require local participation.
Identify the Federal grant name in the project justification.

Point Values: 0 or 10

Examples - Priority Setting Using Evaluation Criteria (Continued)

- Is the project urgently required? Will delay result in curtailment of essential services?

This criterion should receive a 10 only if an emergency is clearly indicated which has been set forth in the project justification.

Point Values: 0 - 10

- Does the project provide for or improve public health or safety?

This criterion should receive a 10 only if public health or public safety can be shown to be an urgent or critical factor.

Point Values: 0 - 10

- Does the project conform to the adopted Comprehensive Plan relative to the project category (e.g., Public Facilities Plan) or meet other substantially documented needs (e.g., needs identified by independent reports)?

Has the need been previously documented and backed up by appropriate expertise? Projects which do not have such supporting documentation can not receive a 10.

Point Values: 0 - 10

- Does the project result in maximum benefit to the community from the investment dollar?

This criterion is particularly important during this period of high inflation. Buying land now for future projects, for example, can result in overall savings. This criterion also applies to the replacement of obsolete and inefficient facilities which will result in substantial improvement in service to the public at the least possible cost. This criterion is to be applied to all projects.

Point Values: 0 - 10

- Does the project improve the quality of life for County citizens (e.g., recreational, cultural, and educational opportunities).

Point Values: 0 - 10

- Does the project require implementation in the year for which it is requested?

There may be a time limitation on providing a local funding share in order to

Example - Priority Setting Using Evaluation Criteria (Continued)

receive a Federal or State grant. There may be other reasons why time is important in the success or failure of a project. If the time factor is critical, it should be set forth in the project justification.

Point Values: 0 - 10

- Does the project improve or expand upon existing County services where such services are recognized and accepted as necessary and effective?

This criterion can apply to new methods of improving existing services or simply expansion of services in their present format.

Point Values: 0 - 10

- Does the project relate specifically to other existing or proposed programs?

This criterion is based upon the degree to which the project relates to other projects or which provides services related to other services. The higher the relationship the higher the point value.

Point Values: 0 - 10

- Has the project been funded previously as a Capital Improvement Project?

Point Values: 5 years = 10 points

4 years = 8 points

3 years = 6 points

2 years = 4 points

1 year = 2 points

Not previously

requested = 0 points

- What is your overall personal judgment of the priority of the project?

Point Values: Urgent = 10 points

Necessary = 8 points

Desirable = 4 points

Deferrable = 2 points

Urgent projects are those which cannot be reasonably postponed.

Necessary projects are those which should be carried out within a few years to meet anticipated needs for current or new departmental programs or replacement of unsatisfactory facilities.

Example - Priority Setting Using Evaluation Criteria (Continued)

Desirable projects are those which are recommended, but which can wait until funds are available.

Deferrable projects are those which ideally are needed but which realistically can be postponed with no detriment to the level of public services.

Some Common Problems

1. Putting a project into the "future" years of the CIP without adequate justification, leading to eventual funding without an adequate need being proven.
2. Not reviewing the justification and project substance for projects that were in last year's CIP, when circumstances could have changed significantly meaning modification or elimination of the project.
3. Inadequate commitment and review to projects not included in the current fiscal year appropriation.
4. Biting off more than you can "chew" by failing to give adequate attention to the need for staff effort to plan and supervise proposed projects.
5. Major projects frequently going directly into the proposed budget year without ever having been in the CIP before.
6. Projects just drifting in the CIP from year-to-year but never getting funded even for study or design phases.

Some Common Problems (Continued)

7. Not providing or having the seed money needed for feasibility and planning activities in the years before permanent funding is arranged.
8. Failure to analyze and plan for operating program requirements and costs associated with construction or utilization of new capital items.
9. Not allowing sufficient flexibility for unforeseen circumstances or construction cost changes that increase a project's total budget requirements.
10. Basing choices on easily available federal dollars versus local priorities.